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OUTCOME OF THE CONFERENCE: DRAFT STATEMENT OF PRINCIPLES AND COMMITMENTS AND GLOBAL PLAN OF ACTION

E. International cooperation and coordination (paras. 143-157)

(Section IV (Global Plan of Action: Strategies for Implementation), of the draft Habitat agenda)

Text submitted by Working Group II on the basis of negotiations held on document A/CONF.165/PC.3/4

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E. International cooperation and coordination

1. Introduction

143. The goals of ensuring adequate shelter for all and making human settlements and communities productive, healthy, safe and more equitable and sustainable contribute to achieving world peace, development, stability, and justice. International cooperation takes on added significance and importance in the light of recent trends in the globalization and the interdependence of the world economy. There is an urgent need to redefine and resuscitate the existing processes and structure of cooperation and to evolve new and innovative forms of cooperation with a view to enabling humankind to face the challenges posed by the development of rural and urban areas. Thus there is a need for the political will of all States and for specific action by the international community to establish and inspire new forms of cooperation, partnership, coordination and investment, including with the local private sector, in order to contribute effectively to the provision and improvement of shelter conditions in human settlements, especially in developing countries, taking into account the diversity of the needs of human settlements among countries.

144. The formulation and implementation of strategies for human settlements development are the responsibility of each country at the national and local levels, and should take into account the economic, social and environmental diversity of conditions in each country. The overall decline in official development assistance, however, is a serious cause of concern. This trend has also been accompanied by considerable increases in international flows of capital and by increasing private sector involvement in infrastructure and services development and management. This shift from aid to trade clearly points to the need for the participation of the private sector in the shaping of international cooperation. The international community, including multilateral financial institutions, has an important role to play in providing additional resources to reinforce national efforts to foster an enabling environment so as to achieve the objectives of adequate shelter for all and the sustainable development of human settlements.

144 bis. [International cooperation assumes added significance and importance in the wake of recent trends in the globalization of the world economy, on the one hand, and the continued deterioration of the plight of developing countries, on the other. The problems resulting from poverty, urbanization, lack of adequate shelter, including social housing, rapid population growth, rural-urban migration, economic stagnation and social instability are especially acute.]

145. Innovative approaches and frameworks for international cooperation in the development and management of human settlements must be sought and developed to include the active participation of all levels of Government, the private and cooperative sectors, non-governmental organizations, and community-based organizations in decision-making, policy formulation and resource allocation, implementation and evaluation. These approaches and frameworks should also include new and improved forms of cooperation and coordination between and among multilateral financial institutions, international organizations, and various organs and bodies of the United Nations system, including South-South, North-South and South-North exchanges of best practices, and the continuous

development of tools and instruments for policy, planning and management such as the application of shelter and urban indicators, human resources development and institutional capacity-building.

145 bis. These innovative approaches should also include new forms of cooperation and partnerships between multilateral and bilateral assistance agencies, on the one side, and civil society organizations and local authorities, on the other, based on the principles of "decentralized cooperation". This implies recognition of the capacity of local authorities to develop international relations and cooperation, within the existing legal frameworks of each country, and their right to devote their own resources for that purpose and to be associated in the process of defining international human settlements policies. Governments and bilateral and multilateral aid agencies should commit themselves to encouraging decentralized cooperation between local authorities and to the strengthening of networks of associations of local authorities.

145 ter. [In recent years disparities in economic growth, environmental degradation, and labour-market asymmetries have increased international migration, and have had a profound impact on the spatial distribution of city populations, resulting in imbalances of human resources between countries of origin and countries of destination.]

2. Enabling international context

146. The process of urbanization is linked to economic development, social development and environmental protection, which are interdependent and mutually reinforcing components of sustainable development. The provision of adequate shelter for all and sustainable human settlements development are increasingly influenced by the global economy. In this context, it is imperative to enable all countries, especially developing countries, to improve living and working conditions in human settlements. This calls for an enabling international environment and for integrated approaches at the national and international levels that take account of the efforts of countries to implement programmes of economic reform or economic transition. Furthermore, technological developments are leading to major changes in the structure of employment. [It should be recognized that in social and economic terms the housing sector is a productive sector and should be treated on an equal basis with other productive sectors. Achievement of the goal of sustainable human settlements development at the global level would depend on fair and durable solutions of, inter alia, the issues of finance, debt, trade and transfer of technology.]

147. The international community should support Governments in their efforts to cope with the impact of these changes on human settlements within a framework of enabling strategies. The international community should promote:

(a) The establishment of an open, equitable, co-operative, and mutually beneficial international economic environment;

(b) The coordination of macroeconomic policies at all levels so as to achieve an international financial system that is conducive to stable and sustained economic growth and sustainable development;

(c) An international financial system that is more conducive to stable and sustainable human settlement development through, inter alia, a higher degree of stability in international financial markets, a reduction of the risk of financial crisis, and lower real interest rates;

(d) An environment in all countries [, including developing economies, economies in transition and developed economies,] that attracts foreign and domestic direct investment and encourages savings;

(e) Enterprise development, productive investment and expanded access to open and dynamic markets in the context of an open, equitable, secure, non-discriminatory, predictable, transparent and multilateral rule-based international trading system [, and to technologies for all people, especially those living in poverty and the disadvantaged, as well as for the least developed countries];

(f) Capacity-building in developing countries in all regions, particularly African countries and the least developed countries, and in countries with economies in transition;

(g) The strengthening and improvement of technical and financial assistance to developing countries in all regions to promote sustainable development and to overcome the hindrances to their full and effective participation in the world economy.

148. With specific reference to sustainable human settlements development and the provision of shelter, the international community should:

(a) Ensure that the benefits of global economic growth improve people's quality of life in all nations, regardless of where people live;

(b) Mobilize national and international financial resources for shelter provision and sustainable human settlements development;

(c) Facilitate increased access by all levels of government and the private sector in developing countries and in countries with economies in transition to international financial resources so as to enable them to attract investment in shelter and infrastructure for sustainable human settlements development;

(d) In a manner consistent with national legislation, seek to increase the ability of local authorities, non-governmental organizations and the private sector to link directly with global capital markets, in accordance with prudential safeguards in those markets, in order to finance their shelter and infrastructure programmes and to establish international and local mechanisms and instruments to facilitate risk sharing and credit enhancement for investing agencies - local, regional and national;

(e) Promote strategies to ensure substantial and well-directed public and private investments in shelter, infrastructure, health, education and other basic services, including through the provision of appropriate technical and financial assistance;

[(f) Encourage international cooperation in order to address the negative impact of international migration through technical assistance, management know-how and exchange of information as well as by ensuring equitable wages and working conditions for both migrant and native workers;]

[(g) Continue to provide support to refugees in order to meet their needs, and to assist in assuring them a just, durable solution in accordance with relevant United Nations resolutions and international law, noting that sustainable human settlements can only be established for them on their land of origin.]

3. Financial resources and economic instruments

149. The demand for shelter and infrastructural services in human settlements is continuously increasing. Communities and countries, especially developing countries, have difficulties in mobilizing adequate financial resources to meet the rapidly rising costs of shelter, services, and physical infrastructure. New and additional financial resources from various sources are necessary to achieve the goals of adequate shelter for all and sustainable human settlements development in an urbanizing world. The existing resources available to developing countries - public, private, multilateral, and bilateral - need to be enhanced through appropriate and flexible mechanisms and economic instruments to support sustainable human settlements development.

150. The implementation of the Habitat Agenda, particularly in developing countries of all regions, especially those in Africa and the least developed countries, will require the mobilization of additional financial resources at national and international levels and more effective development cooperation and assistance. This will require, inter alia:

(Note: It is intended that paragraph 150 should contain a series of specific subparagraphs. Consideration of them has not been completed, but it has been informally agreed that this could more effectively take place if these subparagraphs, and the alternative formulations that have been suggested for them, were organized under specific subject headings. These are: general, official financial resources, partnerships, improving the effectiveness of financial resources, private financial resources, existing economic instruments, innovative economic instruments, and special financing needs/issues. It is emphasized that it is not intended that these headings would appear in the final document. They would appear only to facilitate discussion. When that discussion has been concluded they would be removed. All of these subparagraphs of paragraph 150 are in brackets.)

[General

[(a) Translating the commitments of Habitat II into financial implications for the provision of adequate shelter and human settlements development in developing countries in all regions, particularly those in Africa and the least developed countries;

[(b) Promoting assistance for shelter and human settlements activities;

[Official financial resources

[(c) Raising the priority of adequate shelter for all and sustainable human settlements development among multilateral and bilateral donors and mobilizing their support for national, subregional and regional plans of action of developing countries, especially for interested beneficiary countries;

[(d) Striving to fulfil the target of 0.7 per cent of gross national product for official development assistance and the 0.15 per cent target of gross national product for assistance to the least developed countries as soon as possible and to increase, where appropriate, the share of funding for sustainable human development programmes;

[(e) Achieving the agreed targets of 0.7 per cent of gross national product for overall official development assistance, and 0.15 per cent of gross national product for assistance to the least developed countries, as soon as possible, and not later than the year 2000, and increasing the share of funding for adequate shelter and human settlement development programmes, commensurate with the scope and scale of activities required to achieve the objectives and goals of the Habitat Agenda;

[(f) Striving to ensure that structural adjustment programmes respond to the needs of sustainable human settlements development;

[(g) Inviting the international financial institutions to examine innovative approaches to assisting low-income countries with a high proportion of multilateral debt, with a view to alleviating their debt burden;

[Partnerships

[(h) Encouraging multilateral development institutions and donors to support nations in their effort to pursue enabling strategies through which national and local governments, communities and the private and cooperative sectors can form partnerships to participate in shelter and sustainable human settlements development activities;

[(i) Inviting multilateral and bilateral donors to support countries, particularly developing countries, in their efforts to pursue enabling strategies through which governments, local authorities, communities, and the private and cooperative sectors can form partnerships to participate in the provision of adequate shelter, including social housing and sustainable human settlements development activities;

[(j) Exploring ways and means to strengthen support and expand South-South cooperation based on the concept of triangular cooperation, partnership between developing and developed countries, and enhanced cooperation among developing countries;

[(k) Consolidating the solidarity of the international community and its organizations to provide adequate shelter for all and sustainable human settlements development for people living under foreign occupation;

[Improving the effectiveness of financial resources

[(l) Striving to enhance the effectiveness of existing official development assistance and other external financial flows through improving coordination between and among donors and the United Nations operational activities, and through better coherence between those flows and internal sustainable human settlements strategies;

[(m) Supporting programmes that increase the effectiveness and transparent utilization of public and private resources, that reduce wasteful and untargeted expenditure and that increase access to housing and services for people living in poverty;

[(n) Recognizing the negative effect of excessive military expenditures, trade in arms, especially of those arms which are particularly injurious or have indiscriminate effects, and excessive investment for arms production and acquisition;

[(o) Giving preference, wherever possible, to the utilization of competent national experts or, where necessary, of competent experts from within the subregion or region or from other developing countries in projects and programmes design, preparation and implementation and to the building of local expertise where it does not exist;

[(p) Maximizing the efficiency of projects and programmes by keeping overhead costs to a minimum;

[(q) Integrating practical measures for reducing disaster vulnerability in development programmes and projects, in particular in the construction of buildings and communication systems, financed by the international community, and ensuring that such measures become an integral part of feasibility studies and project identification;

[Private financial resources

[(r) Developing economic policies to promote and mobilize domestic savings and attract external resources for productive investments, and seeking innovative sources of funding, both public and private, for adequate shelter and sustainable human settlements development programmes, while ensuring effective utilization of those resources;

[(s) Strengthening financial and technical assistance for community-based development and self-help programmes, and strengthening cooperation among

Governments at all levels, community organizations, cooperatives, formal and informal banking institutions, private enterprises, and international institutions, with the aim of mobilizing local savings, promoting the creation of local financial networks, and increasing the availability of credit and market information to low-income individuals, women, and vulnerable and disadvantaged groups for shelter and human settlements development;

[(t) Facilitating access to global finances for those Governments and local authorities which are initiating or are involved in public-private partnership programmes;

[(u) Establishing and supporting linkages of informal credit mechanisms to the global pool of resources and increasing the access of the majority of the population to housing finance through participatory processes involving communities, non-governmental organizations, credit unions, global financial institutions, and other relevant actors;

[Existing economic instruments

[(v) Attracting international flows of public finances for shelter provision and settlements development through appropriate economic instruments;

[(w) Considering means to facilitate foreign private sector investment in sustainable human settlements projects, particularly in the areas of infrastructure and transportation, for example by way of "build, operate, transfer" (BOT) schemes;

[(x) Assisting countries, particularly developing countries, in implementing effective and equitable pricing mechanisms for adequate shelter and sustainable human settlements, infrastructure and services in order to induce greater flows of private, domestic and global funds, while ensuring transparent and targeted subsidies for people living in poverty;

[(y) Examining appropriate debt-equity swapping measures in favour of shelter and infrastructure development in human settlements;

[Innovative economic instruments

[(z) Developing innovative sources of funding, both public and private, for human settlements development and creating a supportive environment for the mobilization of resources by civil society, including beneficiary and individual voluntary contributions;

[Special financing needs/issues

[(aa) Providing assistance for activities in the field of shelter and human settlement development in favour of people living in poverty, particularly women, and vulnerable groups, such as refugees, internally displaced persons, people with disabilities, street children, migrants and the homeless through specific targeted grants;

[(bb) Promoting assistance for activities in the field of shelter and human settlement in favour of vulnerable groups, such as refugees and internally displaced persons, documented migrants, and the homeless through specific targeted grants and other assistance programmes;

[(cc) Recognizing the need for shelter and human settlements development in order to address the special conditions of some countries experiencing natural and human-made disasters and the urgent need to reconstruct their economies and human settlements;

[(dd) Implementing the commitments of the international community to the special needs and vulnerabilities of human settlements in the small island developing States, in particular by providing effective means, including adequate, predictable, new and additional resources for human settlements programmes, in accordance with the Declaration of Barbados and on the basis of relevant provisions of the Programme of Action for the Sustainable Development of Small Island Developing States;

[(ee) Providing international support and assistance to the land-locked developing countries and their neighbour transit developing countries in their efforts to implement the outcome of Habitat II, taking into account the challenges and problems characteristic to those countries;

[(ff) Agreeing on a mutual commitment between interested developed and developing country partners to allocate, on average, 20 per cent of official development assistance and 20 per cent of the national budget, respectively, to basic social programmes;

[(gg) Providing soft loans and grants to enable all nations to address specifically the needs of vulnerable groups.]

(The following paragraph is to be incorporated into section F in square brackets)

[Set up an advisory centre to identify appropriate financial institutions such as the African Development Bank and World Bank to avail themselves to assist member States to secure financial assistance/funding for the implementation of shelter and human settlements programmes.]

4. Technology transfer and information exchange

151. [The use and transfer of environmentally sound technologies that have a profound impact on consumption and production patterns are prerequisites for sustainable human settlements development. Advanced and appropriate technologies and the knowledge-based systems that support their application offer new opportunities for more efficient use of human, financial and material resources, more sustainable industrial practices and new sources of employment. International agencies, including the United Nations Centre for Human Settlements (Habitat), have an essential role in disseminating and facilitating access to information on available technologies and options for their transfer. It is understood that the transfer of technology includes assurances of adequate

protection of intellectual property and mutually agreed allocation of commercial benefits].

152. The international community, in promoting and facilitating the transfer of technology and expertise in support of the implementation of national plans of action, should:

(a) Establish and reinforce, as appropriate, global networks among all stakeholders to facilitate exchange of information on environmentally sound technologies, particularly those related to shelter and human settlements;

(b) Ensure that the process of technology transfer is fair and avoids dumping of environmentally unsound technologies on the recipients;

(c) [Facilitate] [Develop and intensify] technical cooperation with and among all regions, including South-South cooperation, in order to exchange experiences, particularly on best practices, foster the development of technology and technical skills and increase the efficiency of shelter and human settlements policies and management, with the backing of coordinated and complimentary support from multilateral and bilateral arrangements;

(c bis.) Ensure the use of appropriate technology and production of local building materials;

(d) Place special emphasize on the funding and the promotion and dissemination of applied research, an innovation in all areas that could contribute to enhancing the capabilities of developing countries, particularly those in Africa and the least developed countries, to provide shelter, urban services, infrastructure, and amenities to their communities;

(d bis.) Support the development of international, subregional and regional networks of institutions involved in research, production, dissemination, and commercialization of locally produced building materials;

[(e) [Enhance the identification and dissemination of those new and promising technologies related to human settlements which generate employment and lower cost of infrastructure, make basic services more affordable, and minimize detrimental environment impacts, and also identify specific roles for existing United Nations organizations, [especially the United Nations Centre for Human Settlements (Habitat)] which would promote these goals].]

5. Technical cooperation

[153. [To face the challenges of the rapidly urbanizing world, there is need to ensure that international and regional networks facilitate more effectively the exchange and transfer of knowledge and experience on institutional, legal and regulatory frameworks, and to disseminate best practices on sustainable human settlements in rural and urban areas. The United Nations Centre for Human Settlements (Habitat) should [play a central role and] act as a catalyst in mobilization of technical cooperation. Opportunities for improved dissemination

and exchange of ideals on technical cooperation at national and international levels could be explored].]

154. More specifically, the international community should:

(a) Establish [, within existing resources,] cost-effective global information networks on human settlements in the form of permanent and "electronic conferences" that will contain updated information global plan of action best practices, as well as progress reports on implementation of national plans of action;

(b) Through global human settlements information networks, assist Governments at all levels, all major groups of actors and international development agencies in assessing information and policies, strategies, programmes and projects on sustainable human settlements development and the provision of shelter;

(c) [Under the leadership of the Commission on Human Settlements, and supported by the regional commissions and the United Nations Centre for Human Settlements (Habitat), develop awareness-building and information activities to ensure that human settlements development issues in general, and concerted policy and programme responses to urbanization in particular, are brought into the mainstream of the development objectives of the international community and national Governments];

(d) With a view to supporting and facilitating national and local efforts in human settlements management, develop and strengthen capacity-building programmes and promote exchange of experiences and policy responses to urbanization and integrated regional development within the framework of national development strategies;

(e) Through the secretariat of the United Nations Commission on Human Settlements, the United Nations Centre for Human Settlements (Habitat), supported by information gathered by regional commissions, develop capacity-building strategies in order to enhance the capabilities of national and local authorities to identify and analyse critical human settlements issues, to formulate and effectively implement policies and programmes in response to them, and to manage efficiently the process of settlements development at the local levels;

(e bis.) Through appropriate institutions, continue to promote capacity-building of developing countries with effective utilization of national experts;

(f) Continue to support technical cooperation programmes aimed at mitigating the effects of natural and human-made-disasters and reconstruction activities in affected countries;

(g) Enable the United Nations Centre for Human Settlements (Habitat) [, within existing resources,] to provide technical, legal and institutional assistance to Governments at all appropriate levels, upon request, in

particular, in closer cooperation with the capacity-building efforts of the United Nations Development Programme.

6. Institutional cooperation

155. The task of pursuing the goals of adequate shelter for all and sustainable human settlements development, in the face of increasing global economic interaction, necessitates international cooperation of public and private institutions operating in the areas of human settlement development, whereby resources, information and capacities are pooled for a more effective response to human settlements problems.

156. [The Habitat Agenda adds new elements to the agenda for national actions and international cooperation, reaffirming and building on the results of the recent major United Nations conferences. Governments confirm the need for a coordinated follow-up to the major world conferences, including Habitat II. The very nature of urban challenges requires an integrated approach to sustainable development and thus increased cooperation and coherence. Existing intergovernmental bodies within the United Nations system should be used to promote communication and coordination between Governments and international bodies - including those of the United Nations system and the Bretton Woods system, as well as other relevant stakeholders - and to strengthen a common perception of human settlements priorities.]

156 bis. [Implementation of the Habitat Agenda should take place within a coordinated framework that ensures that all the United Nations conferences receive comprehensive follow-up and that the agreed programmes of action are fully implemented, monitored and reviewed, together with the results of other recent United Nations conferences where they are related to human settlements. Those conferences include, in particular, the World Summit for Children, the United Nations Conference on Environment and Development, the World Conference on Human Rights, the World Conference on Natural Disaster Reduction, the Global Conference on the Sustainable Development of Small Island Developing States, the World Summit for Social Development, the International Conference on Population and Development, and the Fourth World Conference on Women. This will require bette. coordination and cooperation between multilateral and bilateral partners and joint programming, leading to increased and more effective cooperation between the United Nations Centre for Human Settlements and other entities within and outside the United Nations system].

157. The United Nations system of agencies, including the Bretton Woods institutions, the regional and subregional development banks and funds and bilateral support agencies [where appropriate] should:

(a) Establish and strengthen, where appropriate, cooperative mechanisms to integrate sustainable human settlements development commitments and actions into their policies, programmes and operations, particularly those commitments and actions from the Habitat Agenda, taking into account the outcome of the relevant sections of other recent United Nations Conferences;

(b) Establish and strengthen partnerships with international associations of local authorities, non-governmental organizations and community-based organizations and with all other stakeholders to achieve the goals of the Conference;

(c) Develop activities aimed at strengthening the capacity of local authorities;

(d) Intensify their cooperation with non-governmental organizations, voluntary groups and community associations, and private and cooperative sectors in sustainable human settlements development;

(e) Support public-private partnerships in shelter delivery, service provision and other development activities for sustainable human settlements;

(f) Encourage the involvement of all actors at the local level in reaching agreements on local measures, programmes and actions necessary to implement Habitat Agenda, the Global Plan of Action and national plans of action, including through "Local Agenda 21" processes, as mandated by the United Nations Conference on Environment and Development.